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Department of the Treasury United States Savings Bonds

Semiannual Interest Rate Bulletin

7.81% Rate Effective May – October 1989

The semiannual market-based interest rate for Series EE Bonds issued between May 1 and October 31, 1989, is 7.81% for their initial semiannual interest period. The current minimum rate is 6% for Bonds held at least five years.

The semiannual rate changes each May and November, based on market averages during the preceding six months.

The cumulative rates in the accompanying chart reflect the average of semiannual market-based interest rates applying to Bonds issued during the periods shown. When ten or more semiannual interest rates make up the cumulative rate, it is rounded to the nearest quarter percent and compounded semiannually to determine the interest rate and investment yield since the start of the market-based rate program for Bonds in each issue period.

Cumulative Market-Based Rates

For Bonds Purchased:	Average Rate	Rate at Redemption*
Through 4/30/83	8.29%	8.25%†
5/1/83-10/31/83	8.07%	8.00%
11/1/83-4/30/84	8.02%	8.00%
5/1/84-10/31/84	7.90%	8.00%
11/1/84-4/30/85	7.70%	
5/1/85-10/31/85	7.34%	
11/1/85-4/30/86	7.07%	
5/1/86-10/31/86	6.88%	
11/1/86-4/30/87	6.86%	
5/1/87-10/31/87	7.02%	
11/1/87-4/30/88	7.31%	
5/1/88-10/31/88	7.36%	
11/1/88-4/30/89	7.58%	
5/1/89-10/31/89	7.81%	

Series EE Bonds issued before November 1982, and all Series E Bonds and Savings Notes still earning interest, are now receiving market-based rates, or their current guaranteed rate, whichever is more. These rates are used to calculate the redemption values of eligible Bonds for interest accrual dates occurring between May and October 1989. Future rates at redemption will reflect changes in the cumulative rate.

Series EE Savings Bonds purchased since November 1, 1982, and held five years or longer earn the average of semiannual market-based rates during the holding period (rounded to the nearest quarter percent) or the minimum rate in effect at the time of purchase, whichever is higher. The minimum rate is subject to change for future issues if market conditions warrant. Bonds outstanding at the time of any change retain their previous guarantees to original, or next extended, maturity.

* Rate used to calculate value of Bonds redeemed from May through October 1989. Applies from first interest date on or after November 1, 1982.

† Certain Bonds in this group yield a guaranteed rate of interest higher than that indicated. For details, call number below.

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